



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.lacounty.gov>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

June 26, 2007

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

**SACRAMENTO UPDATE**

**Budget Conference Committee**

While the Budget Conference Committee has not met since June 19, 2007, staff from the Department of Finance, the Legislative Analyst's Office, and legislative staff have been meeting to discuss several open Conference Committee items including transportation funding, development of program criteria for the allocation of infrastructure bonds, Proposition 98, and higher education funding. Many of these items are currently being addressed by the legislative leadership, also known as the "Big Four."

At this time, it is not known when the Conference Committee will reconvene. Based on our review of actions taken through June 19, 2007, we estimate the impact on the County to be a loss of \$24.3 million. Excluding the various health care reform proposals and any specific allocations from the November 2006 voter-approved infrastructure bonds, the impact of the Conference Committee actions on the County is reflected in

Each Supervisor  
June 26, 2007  
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Attachment I. In addition, the status of all Conference Committee items of County interest is shown in Attachment II.

We will continue to keep you advised.

DEJ:GK  
MAL:MR:dc

#### Attachments

c: All Department Heads  
Legislative Strategist  
Local 660  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants

**ESTIMATED IMPACT TO LOS ANGELES COUNTY  
FROM THE GOVERNOR'S FY 2007-08 PROPOSED BUDGET**  
(In Millions)

	<b>January Budget</b>	<b>May Revision</b>	<b>Conference Committee (Thru 6-26-07)</b>
<b><u>Reductions / Unfunded Programs :</u></b>			
Integrated Services for Homeless Adults with Serious Mental Illness Program	(17.0)	(17.0)	0.0 <sup>(1)</sup>
Substance Abuse Crime Prevention Act Program (Proposition 36)	(7.0)	(7.0)	3.8 <sup>(2)</sup>
February 2008 Presidential Primary Election	(20.0)	(20.0)	(20.0) <sup>(3)</sup>
Property Tax Administration Program	(13.5)	(13.5)	(13.5) <sup>(4)</sup>
Mentally Ill Offender Crime Reduction (MIOCR) Program	0.0	0.0	(3.4) <sup>(5)</sup>
Williamson Act Program Reduction	0.0	(0.04)	(0.04) <sup>(6)</sup>
	<b>\$ (57.5)</b>	<b>\$ (57.5)</b>	<b>\$ (33.1)</b>
<b><u>Unavoidable Costs :</u></b>			
State-approved Foster Care Provider Rate Increase	0.0	0.0	(5.2) <sup>(7)</sup>
<b><u>Augmentations / Restorations :</u></b>			
Health Care Workforce Development	5.7	5.7	5.7
California Adult Probation Accountability & Rehabilitation Act Program	13.8	6.9	? <sup>(8)</sup>
LEADER System Replacement	2.0	2.0	2.0
Transfer of Juvenile Justice Population to Counties	?	?	? <sup>(9)</sup>
Adult Protective Services (APS) Program Augmentation	0.0	0.0	3.1 <sup>(10)</sup>
High Risk Pest Exclusion (HRPE) Program Augmentation	0.0	0.0	0.5 <sup>(11)</sup>
Public Library Fund Augmentation	0.0	0.0	0.1 <sup>(12)</sup>
Transitional Housing Plus (THP) Program Augmentation	0.0	0.0	2.6 <sup>(13)</sup>
	<b>\$ 21.5</b>	<b>\$ 14.6</b>	<b>\$ 14.0</b>
<b>Estimated Net Impact</b>	<b>\$ (36.0)</b>	<b>\$ (42.9)</b>	<b>\$ (24.3)</b>

**Notes:**

- (1) The Conference Committee approved the Senate proposal to fully restore \$54.9 million Statewide for the AB 2034 Program.
- (2) The Conference Committee approved the Senate proposal to restore Prop. 36 funding and augment the Offender Treatment Program by \$15 million.
- (3) Reflects the estimated cost for the County to conduct the February 2008 Presidential Primary Election. While the May Revision indicates the Administration's intent to provide reimbursement in FY 2008-09, the County will have to fund the election in FY 2007-08.
- (4) PTAP was suspended as part of the 2005 Budget Act with the understanding that it would be reinstated in FY 2007-08. The program was not restored in any of the State Budget proposals.
- (5) The Conference Committee voted to eliminate funding for the MIOCR Program in FY 2007-08. Impact to the County reflects reductions to the Sheriff, Probation and DMH.
- (6) Reflects impact as a result of the May Revision proposal to eliminate funding for the Williamson Act subsidies to counties.
- (7) Estimate reflects only a 6-month impact on the County as the rate will be effective 1/1/08. Annualized impact is \$10.4 million. The Conference Committee approved a proposal to increase provider rates by 5% for foster and group homes (foster family agencies were excluded). Under the proposed Title IV-E Waiver, the County is responsible for covering the cost of the County and Federal portions of the rate increase.
- (8) The May Revision included \$25 million for the new CAPARA Program; however, BCC only approved \$20 million for a 4-county pilot program. It is not known if LA is a pilot.
- (9) The Conference Committee reached a compromise agreement on 6/19/07; however, no information is available yet to assess the impact of the new initiative.
- (10) The Conference Committee approved the Assembly proposal to augment the APS Program by \$12 million Statewide.
- (11) The Conference Committee approved a proposal to augment the HRPE Program by \$1.5M for agriculture commissioners and \$700K for border inspections.
- (12) On June 19, 2007, the Conference Committee reached a compromise and approved a \$1.0 million Statewide augmentation for the the Public Library Fund.
- (13) On June 19, 2007, the Conference Committee approved the Senate proposal to augment the THP Program by \$19.7 million Statewide.

*This table represents the estimated loss/gain of State funds based upon the Governor's Proposed Budget, May Revision, and Conference Committee proposals. It does not reflect the actual impact on the County or a department which may assume a different level of State funding or be able to offset lost revenue.*

**BUDGET CONFERENCE COMMITTEE  
ISSUES OF INTEREST TO THE COUNTY  
(ACTIONS THROUGH JUNE 19, 2007)**

BCC Page	Budget Issue Description	Senate Proposal	Assembly Proposal	Conference Committee Action (Vote = Senate, Assembly)
2	Trial Court Security	25,600,000	-	Assembly (2-1, 3-0)
8	New Court Construction	7,290,000	-	Conference Compromise + Senate + TBL (3-0, 3-0)
9	Long Beach Courthouse	5,889,000	-	Senate + BBL (3-0, 3-0)
27	Office of Emergency Services - Gang Prevention	-	9,446,000	Conference Compromise (3-0, 2-1)
28	Office of Emergency Services - Port Security Grants	(35,000,000)	(15,000,000)	Conference Compromise + Senate + TBL (3-0, 3-0)
41	Assessor's/Board of Equalization Proposal	-	(10,000,000) + BBL	Conference Compromise + Assembly (2-1, 2-1)
60	Reduced Funding for Affordable Housing Innovation (AHI)	15,000,000	-	Open
61	Augmentation to Local Assistance for Housing Infill Incentive Prog.	300,000,000	100,000,000	Open
62	Reduced Funding for Housing Urban-Rural-Suburban	-	5,000,000	Open
63	Reduced Funding for Transit Oriented Development (TOD)	95,000,000	-	Open
65	Transportation - Non Article XIX Transfer to PTA	-	(65,000)	Open
66	Transportation - Pavement Preservation and Maintenance	-		Language + Senate (2-1, 2-1)
68.1	Corridor System Management Plan	-	-	Assembly (3-0, 3-0)
69	Transportation - Budget Bill Authority to Shift Appropriations	-	-	Language + Senate (3-0, 3-0)
70	Transportation - Bicycle Account Grants	5,000	-	Conference Compromise + Senate - \$2.8M (2-1 2-1)
71	Transportation - Public Transportation Account Fund Shift	1,301,000,000	832,000,000	Open
72	Transportation - Prop 1B - Funding for Local Streets and Roads	400,000,000	600,000,000	Open
83	Sustainable Communities Council/Urban Greening Sec. of Prop 84		Language	Assembly (3-0, 3-0)
104	Proposition 1C - Transfer Funding to Parks	30,000,000		Open
106	Proposition 84: Local Assistance Grant Administration	(236,000)	(1,372,000)	Senate (3-0, 3-0)
106.1	Off Highway Vehicle Program	18,000,000	-	Assembly (3-0, 3-0)
108	Baldwin Hills Conservancy - Sunset Date Extension	5-year	10-year	Assembly (2-1, 2-1)
121	Integrated Regional Water Management	(237,850,000)	(2,025,000)	Open
123	Trade Corridor Emission Reduction Incentive Program	139,000,000	-	Open
126	Carl Moyer - Clean Construction Equip for bond Funded Projects	20,000,000	-	Open
133.1	Petroleum Underground Storage Tank Cleanup Fund	TBL	TBL	Senate + 2 year sunset (3-0, 3-0)

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BCC Page	Budget Issue Description	Senate Proposal	Assembly Proposal	Conference Committee Action (Vote = Senate, Assembly)
135	Watershed Protection and Basin Planning	(67,000)	(4,312,000)	Senate (2-1, 2-1)
143	Proposition 36 - (A) SACPA of 2000 Program Reduction	60,000,000	25,000,000	Senate (2-1, 2-1)
143	Proposition 36 - (B) Offender Treatment Program	(20,000,000)	-	Senate (2-1, 2-1)
152	County Equipment Replacement	2,130,000	-	Conforms to page 184
158	State-County Partnership Improvements (MediCal perf. 90% - 95%)		(Reject Gov's proposal)	Assembly (3-0, 3-0)
167	Proposition 84 Safe Drinking Water Projects			Open
171	Reduction in Public Trans Acct (PTA) Funding for Regional Centers	128,806,000		Open
172	Integrated Svs. For Homeless Mentally Ill Adults (AB 2034) Cut	54,850,000		Senate (2-1, 2-1)
180	Foster Care Payment Methodology (provider rate increase)	22,000,000	11,000,000	Conference Compromise + Assembly + TBL (2-1, 2-1)
181	Transitional Housing Program Plus Augmentation	19,700,000		Senate (2-1, 2-1)
183	Kin-Gap Program	750,000	1,012,000	Assembly (2-1, 2-1)
184	CWS/PSS Equipment Replacement	9,189,000	-	Conference Compromise + Senate (2-1, 2-1)
185	Adult Protective Services Augmentation	10,000,000	12,000,000	Assembly (2-1, 2-1)
188	CAP I Program		Language	Conference Compromise + Assembly + TBL (2-0, 2-1)
194	Transfer of Juvenile Justice Population to Counties	7,503,000	(7,197,000)	Conference Compromise + \$38M + modified TBL + BBL (3-0, 2-1)
197	Recidivism Reduction Strategies	2,707,000		Senate (3-0, 2-1)
198	AB 900 Corrections	Language		Conference Compromise + Senate + LAO SRL (2-1, 3-0)
200	Reentry Facilities	Language		Senate (2-1, 3-0)
211	MIOCR Program Funding Elimination	(44,591,000)	-	Senate (3-0, 2-1)
212	Juvenile Justice Challenge Grant (grants to County CBO's)	10,000,000		Assembly (3-0, 2-1)
213	Adult Probation Funding - CAPARA Program	Language	Language	Senate (3-0, 2-1)
261	Increased Funding for the Public Library	2,000,000	-	Conference Compromise + Senate - \$1.1M (2-1, 2-1)
281	High Risk Pest Exclusion Program Funding Augmentation		2,200,000	Assembly (3-0, 2-1)
289	Mandate Process Review	TBL	TBL	Conference Compromise + LAO (3-0, 2-1)